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June 3, 2009

## VIA FEDERAL EXPRESS and EMAIL: jbohall@virante.com

Mr. Jake Bohall c/o Virante, Inc. 2635 Meridian Parkway, Ste. 100 Durham, NC 27713

RE:

Talk Fusion, Inc.

Dear Mr. Bohall:

This firm represents Talk Fusion, Inc. ("Talk Fusion") and Robert Reina. I am writing to address defamatory statements about Talk Fusion and Mr. Reina you posted on the internet on May 4, 2009. You internet posting of May 4, 2009, refers to Talk Fusion's business model as a pyramid scheme. You state Mr. Reina has a reputation for scamming people. You compare Talk Fusion and Mr. Reina to Bernie Madoff. You state that Talk Fusion and Mr. Reina are engaging in criminal activity. These statements are defamatory per se; meaning they subject you to liability even without proof of damages. Talk Fusion is aware that you shared your internet posting with at least one Talk Fusion Independent Associate and it has since then been viewed by other Talk Fusion Independent Associates. Your internet posting has also drawn a comment which falsely calls Talk Fusion's business model a Ponzi scheme. This letter is not meant to suggest that the above referenced statements are the only false and defamatory statements contained in your internet posting.

Mr. Reina has sent you a reply rebutting your untrue statements about Talk Fusion. A copy of Mr. Reina's reply is attached. As of the writing of this letter, you have not posted Mr. Reina's reply. Mr. Reina contacted you personally to request that you remove your defamatory statement and you refused. Talk Fusion and Mr. Reina once again request that you retract your internet posting of May 4, 2009. Please consider this letter as the notice required by Section 770.01, Florida Statutes, to the extent this statute may apply.

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Your update of June 1, 2009, attempts to characterize your statements as opinion and satire. Your statements that Talk Fusion is a pyramid scheme, that Mr. Reina has a reputation for scamming, and that Talk Fusion and Mr. Reina are engaging in criminal activity are false statements of fact and are not opinions or satire. You go on to state in the update that you have no personal knowledge or proof "that this is any type of scam." This statement simply confirms that you had no basis to support your defamatory statements and that they are false.

You have made defamatory statements against Talk Fusion and Mr. Reina. Talk Fusion and Mr. Reina request that you immediately retract these defamatory statements and remove them from the internet.

Sincerely,

Edward J. Kuchinski

EJK/cml Encl.

### Dear Jake,

My name is Bob Reina and I am the CEO of Talk Fusion. The reason I am writing you is to directly address the many inaccurate statements contained within your blog that you posted on May 4, 2009 titled "Talk Fusion: Great Idea but a Terrible Business Model."

A great place to start is the business model of Talk Fusion. Talk Fusion is a direct selling company that uses Independent Associates to market its video email product to end-users. Direct selling has been in existence for over 80 years and has had over 20 years of consecutive growth resulting in over 34 Billion Dollars in sales in the United States alone in year 2008. Let's see if you recognize a few of these names? Warren Buffet, Donald Trump and Sir Richard Branson. Did you know that they all own direct selling companies? Needless to say, the direct selling industry is one of integrity. It is most unfortunate that some people, out of ignorance, cast dispersion on direct selling companies. Like any other industries, there are some good companies and some that are not so good. A great litmus test is this: "Would you purchase the product without having a compensation plan or business opportunity with it?" If your answer is "yes", this is a great indicator that the company is doing things right. At Talk Fusion, the majority of revenue is generated from Customer purchases, who are people that purchased the product for their business and personal communications but are not participants in the compensation plan. Just so you know, Talk Fusion Associates are not required to purchase product in order to participate in the business opportunity. If you ever reviewed any of Talk Fusion presentation materials or our Policies and Procedures, then you would clearly see this. So, nobody at Talk Fusion "pays into the scheme"; hence your veiled reference to Ad Surf Daily or Bernie Madoff is grossly inaccurate.

Now, let's turn your attention to the comments you made about Talk Fusion's product. Contrary to what you claim, Talk Fusion's video email product is much different than You Tube. Talk Fusion's product has better quality, more versatility and has more many more applications than You Tube.

### First, ask yourself the following questions:

There are three important things you should really ask yourself. The answers to these questions will help you see my point:

# 1. "What am I trying to accomplish by sending video emails or placing video on my web site?"

What is your goal? Do you simply want to have fun and entertain your audience? Or, will you be using video email and web videos to encourage your potential Customers/ Customers to take action and buy something AND you can also have fun when you want to?

### 2. "How much time and effort am I willing to put into this to get it to look professional?"

How involved do you want to be in this? Are you a "do-it-yourselfer" who likes to get your hands dirty? Or, perhaps you'd rather just have a fast, professional and easy solution, and leave the complicated programming and technical stuff to others?

### 3. "Is quality and professionalism important to you and your audience?"

Are you concerned about how the video email will look? What impression will it give your audience? What about video posted on your web site? Would you mind having distracting advertisements displayed before, during and/or after your videos? Are you concerned that your visitors would click on these ads and abandon your site to visit a potential competitor?

Since I don't know your answers to the above questions, I'm going to assume that you're like most business owners and...

- You want to use your video email/ web videos for a **business purposes** (e.g., to help you sell something, encourage subscribers to join your email list, etc.). This isn't the time or place for silly videos. As you know, Talk Fusion has plenty of personal uses as well; so if you want to make silly videos, we allow that to happen as well.
- You're already busy enough, and you don't want to waste your time trying to figure things out. You want a simple, professional solution, quickly. One that is turn-key.
- You want your video emails/ web video presentations to look classy and professional.

## So, now that we know what your goals are and what's important to you, we're ready to evaluate your options:

### 1. Web Video Advertising

As a business, You Tube loses money; so they need to make money to pay those enormous bandwidth bills. We're going to slowly start seeing advertisements popping up in, after and/or next to videos hosted by the free sites, including You Tube. These ads are going to distract viewers, likely leading them to visit another web site.

#### 2. Poor Video Quality

Videos uploaded to video sharing sites such as YouTube are overly compressed. While compression itself isn't a problem, these video sites are not overly concerned about the playback quality of your video. In order to keep bandwidth costs down, they shrink the videos to the smallest acceptable size, which negatively affects the quality of your video email/web video.

### 3. Free Advertising (for them)

Embedding a video hosted by a video sharing site into your business web pages is the equivalent of free advertising for the video site. Clicks on these video players take your visitors away from **your** business web site. When this happens, what you're doing is trading your hard-earned web site visitor for some low quality free video hosting. Doesn't sound like such a great business decision, now does it?

### 4. Downloading / Display Problems

As sites such as You Tube struggle to keep up with the heavy loads placed upon their servers, it is not uncommon to experience choppy, slow-loading or even non-loading videos. Contrary to your blog post, the popularity of these sites may actually be their Achilles downfall.

#### 5. No Control

On You Tube, you have limited control over how your video email/web video and the player itself appear on a web page. They control everything.

So, if professionalism, quality, and control are important to you, You Tube is simply not the right solution. Talk Fusion most definitely is.

I could write for hours upon hours about the many others advantages that Talk Fusion offers such as our professionally designed templates, professionally recorded videos, real-time tracking platform, our whitelisted status and so much more but I think you get the point by now.

And Talk Fusion does have the technical ability to embed a video directly into an email and make it auto-launch. So, I would really be careful before making technical statements that you cannot support.

### At this time, let's address some of the other inaccuracies in your blog post:

In your blog, you ask why Talk Fusion asks for the Mother's Maiden Name for our Associates. Go take your complaint to the Federal Government as per the United States Patriot Act, we are required to record certain security related questions as we pay commissions via electronic means. What to know why we ask for Social Security Numbers? Go ask the Internal Revenue Service as they like for people to pay taxes on their earned income.

Go take a minute and read the Talk Fusion refund policy. By the way, all Associates and Customer must acknowledge that they have read, understood and agree to it on two separate occasions before they are allowed to purchase product. The refund policy on original purchases is 3 days. However, the Talk Fusion product carries a monthly subscription as well. 5 days notice must be given to cancel the monthly subscription. So, your comment on your blog: "sign up for the service after you cancel it is grossly inaccurate" but it goes in line with the rest of the veracity on your blog.

Moving forward, if you ever want to have an educated conversation about direct selling or video email technology and its applications, please do give me a call. I can be reached at (813) 651-4030.

Sincerely,

Bob Reina CEO-Talk Fusion